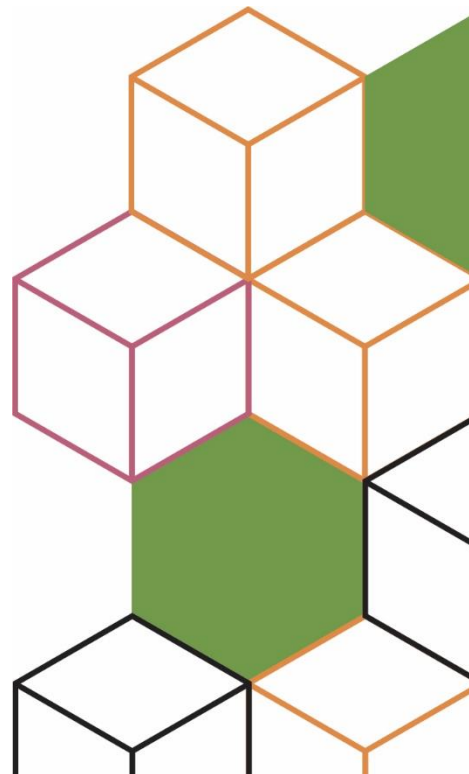


October
2024

Graduate Student
Association

**Supplementary
Submission to the
Select Committee on
Cost of Living**



About GSA

The Graduate Student Association (GSA) is the independent representative organisation for all graduate coursework and research students at the University of Melbourne. We are led by 8 GSA Board members, 12 Representative Council members and 18 Faculty Council members who are all elected University of Melbourne graduate students. On behalf of over 40,000 constituents, we represent graduate student interests to the University and wider community, provide student engagement events, activities, and information to the graduate student community, and support 150 affiliated graduate student groups.

GSA's vision is for inclusive, empowered graduate student communities that achieve meaningful and holistic university experiences. Our objectives are to achieve and support representation, academic support, transition to work, engaged and healthy communities, and organisational sustainability.

This submission was written on the Land of the Wurundjeri People of the Kulin Nation. GSA acknowledges the Wurundjeri People as the traditional custodians of this land.

Executive summary

GSA welcomes the opportunity to provide a supplementary submission to the Select Committee on Cost of Living. Since writing our original submission, we have collected new data detailing graduate students' financial circumstances, as well as the overall impacts the cost of living is having on their lives and futures. The rising cost of living continues to be one of the most pressing issues facing graduate students at the University of Melbourne (UoM). In our 2023 survey of almost 7000 UoM graduate students, respondents identified the 'cost of living' and 'rent/housing' as the two top issues challenging them day-to-day.

Limited earning potential

Graduate students' vulnerability to the rising cost of living can be attributed to their limited earning potential while undertaking study. As highlighted in our original submission, graduate students receiving a Research Training Program (RTP) stipend receive an allowance of under \$40,000 per year pro rata. While recent increases have been a welcome change, RTP stipends remain insufficient in light of the rising cost of living.

Unpaid mandatory placements

Students undertaking degrees with mandatory placements – including those in teaching, medicine and veterinary science – are burdened with additional living expenses. These students are often unable to maintain employment while on placement, leaving them financially insecure. While GSA commends the introduction of the Commonwealth Prac Payment, we note that only teaching, nursing and midwifery and social work students are currently eligible for this support. This excludes other students undertaking mandatory placements as part of their course, including those studying medicine and veterinary science.

Housing and food insecurity

Living in Melbourne has also become increasingly expensive. The already high median cost of rental properties has increased since writing our original submission. Graduate students are often at a disadvantage when competing for available properties in what has become an exceptionally competitive rental market. This disadvantage can be attributed to a (real or perceived) lack of income, as well as some graduate students' limited rental history.

The survey responses of graduate students identified that managing the often high cost of rent alongside the rising cost of other essentials is becoming increasingly difficult. In GSA's 2024 graduate student food insecurity survey – which received over 550 responses – 'rising rental prices' and 'rising grocery costs' were the most frequently reported barriers to regularly eating balanced meals.

Impacts of the rising cost of living

The impacts of the rising cost of living are likely to exacerbate inequality in higher education and the future workforce. The number of rental applications some graduate students have had to complete in order to secure housing has left them with less time for study and research. Students experiencing food insecurity also report being unable to concentrate and to study effectively. Some graduate students have stated that food insecurity is causing them to consider underloading, pausing or even ceasing their studies.

Cost of living pressures have also been found to impact graduate students' physical and mental health. Graduate students who have experienced food insecurity report experiencing weight loss/gain, hair loss, and decreased muscle mass. Experiencing financial instability, insecure housing and food insecurity was also

reported to contribute to graduate students' feeling stressed, anxious and depressed.

Long-term impacts

The cost of living crisis is likely to have adverse impacts on graduate students – particularly young people – for years to come. Trying to cope with high rental prices has left some graduate students unable to save for a home. This is further exacerbated by the higher levels of HECS-HELP debt being accumulated by recent university graduates, compared to those graduating 10-20 years ago.

GSA calls on the Australian Federal Government to support graduate students to manage with the rising cost of essentials, so that participation in education, research and skilled work is genuinely accessible. Acting on the following updated recommendations will enable increased financial security among graduate students, allowing them a greater quality of life while studying and after they graduate.

GSA recommends that the Federal Government:

1. Expand income support payments to all domestic postgraduate students.
 - a. Ensure that the eligibility for AUSTUDY and Youth Allowance is expanded to all graduate students, regardless of the degree they are enrolled in.
2. Raise Rent Assistance payments to ensure that they align with the median cost of rentals.
3. Raise the Research Training Program (RTP) stipend rate to at least match the National Minimum Wage.
4. Expand the Commonwealth Prac Payment to all graduate students who must undertake a placement in order to complete their degree.
 - a. Ensure that this expansion to all graduate students includes international graduate students.
5. Permanently remove indexation of HECS-HELP debts.
6. Increase the minimum income for HECS-HELP debt repayments.
7. Ensure that international graduate students have access to emergency support to assist them with the challenges associated with the unexpectedly high cost of living.

Context

GSA welcomes the opportunity to provide a supplementary submission to the Select Committee on Cost of Living. Since writing our original submission, GSA has collected new data detailing the experiences of graduate students at the University of Melbourne (UoM), with regards to the rising cost of living – which remains a key concern for this group. In our 2023 survey of almost 7000 UoM graduate students, respondents identified the ‘cost of living’ and ‘rent/housing’ as the two top issues challenging them day-to-day. This supplementary submission provides additional information about graduate students’ financial circumstances, as well as the overall impacts the cost of living is having on their lives and futures. Also provided in this supplementary submission is a list of updated recommendations for the Committee to consider.

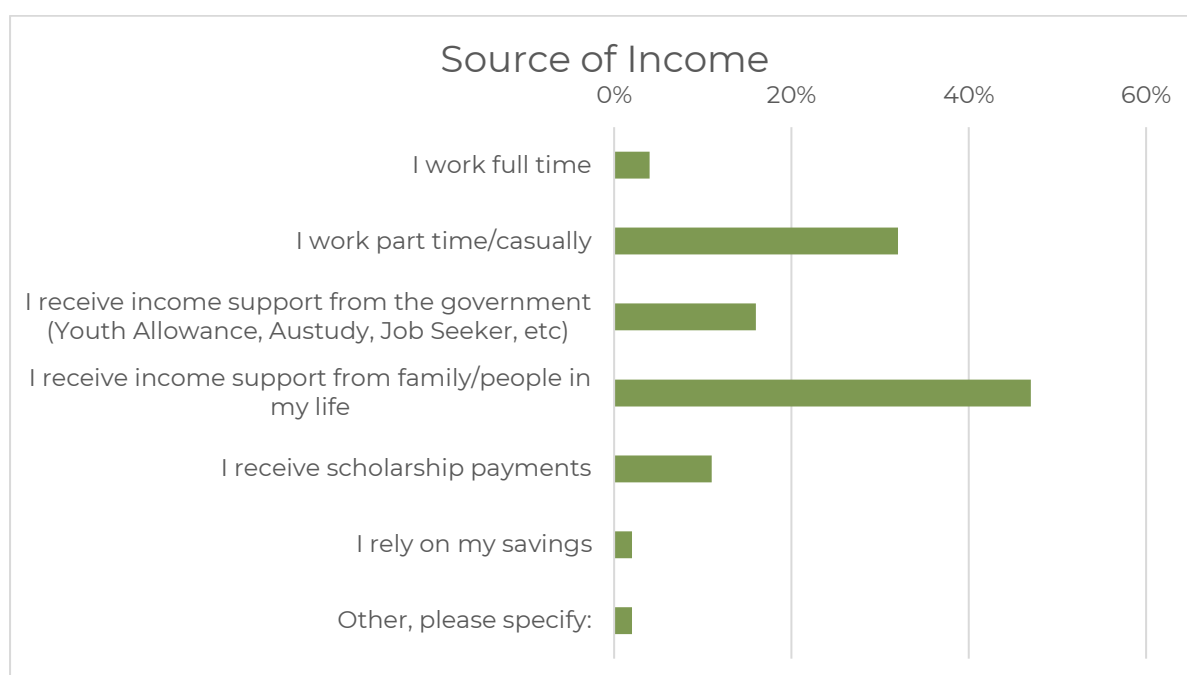
The information in this supplementary submission is based on data collected by GSA through various surveys and focus groups relating to graduate students’ experiences with renting, food insecurity and placements. For more detailed information about these studies and their results, please refer to the following documents:

- [GSA submission to the inquiry into the worsening rental crisis in Australia](#)
- [GSA report – Placement: Student perspectives, concerns and priorities for change](#)
- [GSA submission to the inquiry into food security in Victoria](#)

Graduate student incomes

As described in our original submission, graduate students' vulnerability to the rising cost of living can be attributed to their limited earning potential while undertaking full-time study. In GSA's 2024 food insecurity survey of over 550 graduate students, 32% reported working part-time or casually. Forty-seven percent of respondents reported that they received income support from their family or from people in their lives.

Additionally, 11% of respondents reported receiving scholarship payments, including a Research Training Program (RTP) stipend. In our original submission, we highlighted that a living allowance of \$34,400 per year pro rata – awarded to UoM students receiving an RTP scholarship – would likely not support all living-related costs. While an increase to \$37,000 per year pro rata in 2024 has been a welcome change, it remains insufficient when considering the increasing cost of essentials in Melbourne.¹



Graph 1 'Source of Income'

¹ "Research Training Program Scholarship," The University of Melbourne - Scholarships, published 2024, <https://scholarships.unimelb.edu.au/awards/research-training-program-scholarship>.

Unpaid mandatory placements

Graduate students who are required to undertake mandatory placements during their degrees – including those in teaching, medicine and veterinary science – experience additional cost of living challenges. GSA's recent study into graduate students' placement experiences found that students struggle to maintain employment while on placement, leaving them financially insecure. Students who remained employed while undertaking placement reported experiencing burnout and fatigue.

Undertaking a placement can, in itself, add an additional financial burden to already vulnerable students. For example, students undertaking placements in rural areas may need to source and pay for accommodation and transport themselves. While the Commonwealth Prac Payment is a welcome support measure, currently only teaching, nursing and midwifery and social work students are eligible.² This excludes other students undertaking mandatory placements as part of their course, including those studying medicine and veterinary science.

"40 hours/week of unpaid work, especially as a final year nursing student who can practice very independently and does the same work that others get paid for, is very difficult. No time to work paid jobs, or this comes at the expense of mental wellbeing and academic performance (simultaneous assignments)."

– Domestic graduate Nursing student
(GSA placement experiences survey response)

"Financially it was a lot to get to my placements and to pay for my own accommodation. Most of the large animal placements are far away and it can be difficult to get there."

– International graduate Veterinary Science student
(GSA placement experiences survey response)

² "Commonwealth Prac Payment," Australian Government – Department of Education, published June 2024, <https://www.education.gov.au/higher-education/commonwealth-prac-payment>.

Living in Melbourne as a graduate student – An update

Housing

The lack of affordable rental properties continues to be a significant challenge facing graduate students. In GSA's 2023 renting experiences survey – completed by over 400 graduate students – approximately 80% of respondents reported a lack of affordability and rising rental prices as a challenge they faced when renting. At the time of writing our original submission (March 2023), the median rent in Melbourne was reported to be \$480 per week for units and \$500 per week for houses.³ Since then, the median rent has increased to \$550 per week for units and \$580 per week for houses as of September 2024.⁴

Graduate students have also faced an exceptionally competitive rental market. In February 2023, the vacancy rate of rental properties in Melbourne was reported to decrease to a new record low of 0.8%.⁵ Recent data from February 2024 shows that the rental vacancy rate in Melbourne has remained consistent at this rate.⁶ While graduate students are able to apply for accommodation in purpose-built student accommodation or residential colleges, these options can be prohibitively expensive for many students and inaccessible for those needing to live with their partners/children.

"[It's] very difficult to rent, and once you get a place, the agency/landlord raises the price by 60%, so it's not only getting a place but also remaining there. Lots of other renters (competition) offer the agents to pay more per week to get selected (under the table), so it doesn't matter if you are a good tenant, in the end, it is how much you are willing to pay above the requested rent price. I remember some years back, it wasn't this hard"

³ "March 2023 Rental Report," Domain, published March 2023, <https://www.domain.com.au/research/rental-report/march-2023/>.

⁴ "September 2024 Rental Report," Domain, published September 2024, <https://www.domain.com.au/research/rental-report/september-2024/#melbourne>.

⁵ "Vacancy Rates: February 2023," Domain, published March 2023, <https://www.domain.com.au/research/vacancy-rates-february-2023-1198404/>.

⁶ "Vacancy Rates: February 2024," Domain, published March 2024, <https://www.domain.com.au/research/vacancy-rates-february-2024-1266500/>.

– International graduate research student
(GSA renting experiences survey response)

Graduate students are often at a disadvantage when competing for available rental properties. For one, rental providers may view students less favourably, compared to full-time workers, due to students' (real or perceived) lack of income. Graduate students who are living out of home for the first time and/or have moved to Melbourne from interstate or overseas are further disadvantaged by their lack of rental history.

"The terribly low stipend impacts how competitive you are a prospective tenant, I have experienced many non-successful applications and the only thing holding me back would be income"

– Domestic graduate research student
(GSA renting experiences survey response)

"As a domestic student who is also a first time renter (I had been living abroad for 10 years before returning to Australia for my postgrad) and without income, none of my rental applications went through. Despite having the means to pay rent (I have substantial savings) and even offering to pay upfront, no landlord accepted me because I didn't have rental history or employment. The odds were stacked against me..."

– Domestic graduate coursework student
(GSA renting experiences survey response)

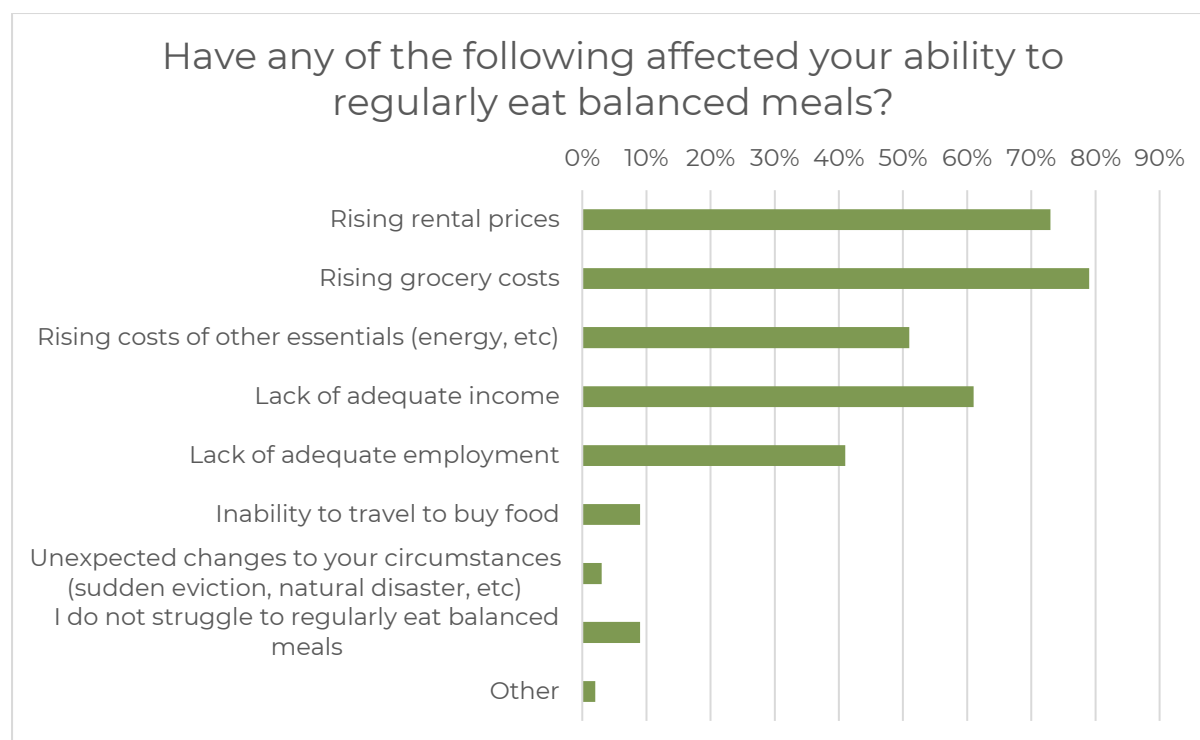
Food insecurity

"...Up to now, the rental price has been extremely high. Not just the rent but also food, transport, electricity and internet bills; the prices are increasing. Thus, I found it difficult to match my living costs with my scholarship"

– International graduate research student
(GSA renting experiences survey response)

The survey responses of graduate students identified that managing the often high cost of rent alongside the rising cost of other essentials is becoming increasingly difficult. In GSA's 2024 graduate student food insecurity survey – which received over 550 responses – 'rising rental prices' and 'rising grocery costs' were

the most frequently reported barriers to regularly eating balanced meals (selected by 73% and 79% of respondents, respectively). Overall, 44% of survey respondents reported that, in the past 12 months, they have struggled to eat balanced meals due to their financial circumstances ‘frequently’ or ‘very frequently’.



Graph 2 ‘Have any of the following affected your ability to regularly eat balanced meals?’

“It’s not “coping,” it’s surviving. I patch together meals using food from discount grocery stores and then try not to think about how hungry I am.”

– International graduate coursework student
(GSA food insecurity survey response)

Impacts of the rising cost of living on graduate students’ lives

Educational outcomes and future workforce participation

The rising cost of living is likely to exacerbate inequality in higher education and the future workforce. Graduate students who struggle to secure housing state that their educational outcomes are negatively impacted. Some graduate students note that the number of rental applications they have been required to complete in order to secure housing has left them with less time for study and research.

Students experiencing food insecurity also report being unable to concentrate and to study effectively. Some graduate students have stated that food insecurity is causing them to consider underloading, pausing or even ceasing their studies. This can lead to already vulnerable graduate students being unable to advance their education and secure employment in skilled work.

"...when I was at the height of my housing search, I would spend several hours in a day, across the week, just going to inspections. This was time away from working on my PhD. I also have to take on extra work to make ends meet. And I am worried I won't finish my PhD on time"

– International graduate research student
(GSA renting experiences survey response)

"... it is overwhelming to keep thinking on grocery shop when you don't have much money in your bank account + other bills. No way to fully focus on your studies - instead, I am always thinking on getting an extra job. This is extremely stressful and I am seriously thinking of giving up the PhD."

– Domestic graduate research student
(GSA food insecurity survey response)

Even students who are able to continue their studies can have their overall student experience impacted by their financial circumstances. For example, many socialising opportunities involve buying food. Graduate students experiencing financial distress feel that they must either attend and not eat, or not attend altogether. This can be isolating and can also limit opportunities to connect with potential mentors, including professors or colleagues.

"It's hard to navigate not being able to afford eating out when your peers and colleagues are always doing so, e.g. going to a restaurant to catch up, social occasions at work/in my research group/school etc. If I don't make sure I'm organised and bring my own lunch to campus, it's not affordable to buy something for lunch, e.g. a simple sandwich from the cafes around campus is always at least \$15!..."

– Domestic graduate research student
(GSA food insecurity survey response)

“...I have to think lots before spending any money because of my financial inflexibility. This means less socializing and more spending time at home. A PhD can feel isolating enough without being unable to go socialize because of the associated costs”

– Domestic graduate research student
(GSA renting experiences survey response)

Physical and mental health

Cost of living pressures have been found to contribute to poorer health outcomes among affected graduate students. Graduate students who have experienced food insecurity report experiencing weight loss/gain, hair loss, and decreased muscle mass. Some graduate students have indicated that changes to their physical appearance, rising from improper nutrition, harms their self-esteem and self-image. Experiencing financial instability, insecure housing and food insecurity was also reported to contribute to graduate students' feeling stressed, anxious and depressed.

“I now have high cholesterol following recent blood test. I worry about food access constantly and am often hungry. My energy levels are low. I spend a lot of time calculating grocery costs and planning meals patched together from discount grocery stores (Cheaper Buy Miles) because it's the only way I can make it to 2 meals a day.”

– Domestic graduate research student
(GSA food insecurity survey response)

“I don't have friends or family in Melbourne. For a month and a half, I had to jump from one [short-term rental] to the next, every week. I was at a very real risk of being homeless. I could not study properly for the first part of the semester. It took a huge toll on my mental health as I was constantly stressed about my future”

– Domestic graduate coursework student
(GSA renting experiences survey response)

Preparing for the future

The cost of living crisis is likely to have adverse impacts on graduate students – particularly young people – for years to come. A lack of affordable rental properties has led some graduate students to move back into their family home and delay living independently. Graduate students who are able to continue renting have indicated that they experience difficulties with saving money. This – along with the fact that, upon leaving university, graduates now have higher levels of HECS-HELP debt than those graduating 10 or 20 years ago – is likely to impact graduate students' ability to buy a home in the future.⁷

“My long term lease was cancelled this year because the owners decided to sell. The rental market in Melbourne is bananas right now and I can't afford to rent and eat on the stipend alone. I've moved back in with family interstate, which is allowing me to save money but is not ideal for my PhD”

– Domestic graduate research student
(GSA renting experiences survey response)

“...I know that I have much less of an emergency fund in case of any medical events etc. I am currently not able to save any money meaning that I've put on hold the idea of holidays, buying a house etc.”

– Domestic graduate research student
(GSA renting experiences survey response)

⁷ Greg Jericho and Jack Thrower, “People are starting with much larger HECS/HELP debts than in the past – and it is only going to get worse,” The Australia Institute, published April 2024, <https://australiainstitute.org.au/post/people-are-starting-with-much-larger-hecs-help-debts-than-in-the-past-and-it-is-only-going-to-get-worse/>.

Recommendations

Graduate students are vulnerable to cost of living pressures due to their limited earning potential while studying full-time. GSA calls on the Australian Federal Government to support this cohort to manage with the rising cost of essentials, so that participation in education, research and skilled work is genuinely accessible. Acting on the following updated recommendations will enable increased financial security among graduate students, allowing them a greater quality of life while studying and after they graduate.

GSA recommends that the Federal Government:

1. Expand income support payments to all domestic postgraduate students.
 - a. Ensure that the eligibility for AUSTUDY and Youth Allowance is expanded to all graduate students, regardless of the degree they are enrolled in.
2. Raise Rent Assistance payments to ensure that they align with the median cost of rentals.
3. Raise the Research Training Program (RTP) stipend rate to at least match the National Minimum Wage.
4. Expand the Commonwealth Prac Payment to all graduate students who must undertake a placement in order to complete their degree.
 - a. Ensure that this expansion to all graduate students includes international graduate students.
5. Permanently remove indexation of HECS-HELP debts.
6. Increase the minimum income for HECS-HELP debt repayments.
7. Ensure that international graduate students have access to emergency support to assist them with the challenges associated with the unexpectedly high cost of living.